DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

October 18, 2000

Accounting Policy Memorandum – APM-OAIC-00-03

MEMORANDUM FOR BUREAU CHIEF FINANCIAL OFFICERS
DEPUTY CHIEF FINANCIAL OFFICERS

I-Ming Clark

FROM: I-Ming Clark
Acting Assistant Director for Accounting
Office of Accounting and Internal Control

SUBJECT: Intra-Departmental Transaction Policy Guidance

Attached for your information and reference is **final** accounting policy guidance entitled ***"Departmental Guidelines for Reconciling and Reporting Intra-Departmental Transactions."*** These guidelines must be used to prepare elimination data for Fiscal Year 2000 Department-wide consolidated financial statements.

The Office of Accounting and Internal Control (AIC) revised Intra-Departmental Transaction Guidelines to provide instructions for reconciling transactions using the TIER Bureau Intra-Agency Balances by Reciprocal Accounts (BURELI) report. The BURELI report automates the Departmental reconciliation procedure by permitting bureaus immediate data access to partner balances. Accordingly, this enhancement will streamline Departmental reconciliation procedures and improve data accuracy and reliability. The updated guidance includes a revised Elimination Confirmation Sheet whereby bureaus will acknowledge compliance with intra-Departmental transaction accounting and reporting requirements. This confirmation will also confirm that reconciled elimination balances match TIER period 14 **final** submissions. This is important to ensure data reporting consistency. Treasury's elimination guidance also incorporates a majority of requested bureau and Office of Inspector General revisions (standardized elimination entry worksheets, updated points of contact and additional reciprocal account information).

Please notify AIC of any elimination requirements you are aware of which are not included in this guidance.

If you have any questions or wish to discuss these matters, please contact Dan Waugh (202) 622-0936 or Joe McAndrew (202) 622-0807.

Attachments

cc: William Pugh

Department of the Treasury

Departmental Guidelines for Reconciling and Reporting Intra-Departmental Transactions

October 2000 Revision

Prepared by the Office of the Deputy Chief Financial Officer,
Office of Accounting and Internal Control

October 2000

Departmental Guidelines for Reconciling and Reporting Intra-Departmental Transactions

October 2000

Background

This updated guidance replaces the accounting policy guidelines for reconciling and reporting intra-Departmental transactions that the Department last issued in July 2000. The purpose of this guidance is to facilitate elimination of intra-Departmental balances during the preparation of the **Departmentwide consolidated financial statements (DCFS**) required by Office of Management and Budget (OMB) Bulletin Number 97-01 entitled *Form and Content of Agency Financial Statements (*including amendments) and the related Statements of Federal Financial Accounting Standards (SFFAS). OMB issued technical amendments to Bulletin 97-01 dated September 11, 2000. This correspondence does **not** include new intra Departmental transaction reporting requirements applicable to Fiscal Year (FY) 2000.

Each Treasury component entity must advise other component entities of the standard general ledger (SGL) balances in their accounting records resulting from intra-Departmental transactions. **This notification process will be accomplished through FY 2000 TIER submissions.** SGL balance pairings must be compared and reconciled. The reconciliation of differences must be performed in accordance with Departmental timeframes referenced in this document. Elimination entries will be prepared for the DCFS using reconciled final TIER Period 14 SGL balances. Accordingly, the information in the TIER Period 14 BURELI Report (SGL Elimination Pairs) must accurately reflect the SGL balances resulting from the year-end reconciliation. A discussion of BURELI reports and the reconciliation of Departmental elimination balances are provided in the **Methodology and Key Reconciliation Requirements/Instructions** sections of this guidance.

Applicability

The intra-Departmental reconciliation and reporting guidelines apply to five SGL account groups. They include Assets (1000 Series), Liabilities (2000 Series), Revenues (5000 Series), Expenses (6000 Series), and Gains, Losses, etc. (7000 series). The Office of Accounting and Internal Control should be contacted for specific guidance regarding any transactions in the 7000 Series (gains/losses/extraordinary items/prior period adjustments, etc.) that are not related to investment/loan activity with the Bureau of Public Debt. It is expected that there will be minimal activity in the 7000 Series. These SGL accounts cover the total universe of elimination entries for the FY 2000 DCFS.

OMB 97-01 Technical Amendments (January 7, 2000) state that the authority to prepare a combined Statement of Budgetary Resources and a combined Statement of Financing exists through FY 2000. Accordingly, the Department will present these statements on a combined basis for FY 2000. The Office of Accounting and Internal Control will issue elimination guidance for these statements when OMB requires a consolidated presentation.

SGL account numbers are referenced because line items in the financial statements are crosswalked to SGL accounts. In addition, compliance with SGL requirements has been mandatory since 1987.

This guidance also incorporates the requirements for reconciliations and eliminations related to the **Governmentwide** consolidated financial statements. The Financial Management Service (Financial Standards and Reporting Division – FACTS I) issued a "Final Guide" for FY 2000 reporting on September 29, 2000. Please visit the FMS FACTS homepage at http://www.fms.treas.gov/cfs/dev/index.html for current information.

The Governmentwide document provides guidelines regarding procedures for confirming balances and reconciling transactions with partner agencies relative to general transactions, investments in Federal securities, borrowings from Treasury and the Federal Financing Bank, Department of Labor (DOL) transactions relating to the Federal Employees' Compensation Act, and Office of Personnel Management (OPM) transactions relating to employee benefits. **The transaction examples are also applicable to intra-Treasury activity.**

Federal entities are required to identify inter-entity transactions for the FACTS I transmission (ref. Volume I, Treasury Financial Manual 2-4000 - Federal Agencies Centralized Trial-Balance System – FACTS I). Treasury entities are expected to comply with the Governmentwide guidance. AIC will provide assistance in facilitating and coordinating reconciliations with other Federal agencies. However, because records reside at the Treasury reporting entity level, it is incumbent upon each entity to individually comply with the Governmentwide guidance. **There is some overlap between the Governmentwide guidance and the Departmental requirements related to intra-Treasury balances. It is addressed later in this document**.

AIC will send a Departmentwide confirmation related to the fiduciary transactions with DOL and OPM. However, each reporting entity will be required to provide AIC with an individual confirmation (fax). It is extremely important that the Department properly record correct balances related to these transactions in the correct SGL accounts for FY 2000. Please refer to page 60 of the guidance for the changes applicable to FY 2000.

It is critical that "F" balances reported in TIER Period 14 match confirmations. The

balances displayed on the TIER Period 14 FEDELI must be identical to the confirmations.

Definition of Terms

The following definitions shall apply within the context of this document. These terms, as defined, are consistent with the Federal Accounting Standards Advisory Board's recommended explanations.

Accounts Receivable -- Amounts due from others when the right to receive funds accrues, which may result from the performance of services or the delivery of goods.

Accounts Payable -- Amounts owed to another Federal or non-Federal entity for goods and other property ordered and received, progress in contract performance, and for services rendered by other than employees.

Advance -- Advance payments for the cost of goods and services the entity acquires.

Prepayment -- A payment made by a bureau entity to cover certain periodic expenses before those expenses are incurred (usually differentiated from advances by their recurring nature - e.g. rent).

Exchange Revenue -- An inflow of resources that the entity has earned. Exchange revenue earned from other Treasury suborganizations is subject to elimination for the consolidated Statement of Net Cost.

Expense -- An outflow or other using up of assets or the incurrence of liabilities (or a combination of both) during a period of providing goods, rendering services, or carrying out activities related to an entity program and mission, the benefits from which do not extend beyond the present operating period.

Reporting Entity -- The basic unit upon which accounting and/or financial activities are reported. It is usually distinguished from a larger more inclusive economic unit (e.g., a bureau vs the Department, the Department vs the Federal Government).

Intra-Entity -- A term meaning within a reporting entity. In the context of eliminations for the consolidated Departmentwide financial statements (intra-Departmental), it refers to activities or transactions within the Department.

Reconciliation -- An accounting verification or audit process which identifies differences in two or more balances, determines which balance is correct and reflects necessary adjustments.

Fiscal Year-End Cutoff Date -- Thirty-one calendar days after September 30 **(October 31).** The purpose of the cutoff date is to provide for period consistency in the recording of intra-Departmental transactions (i.e. recording intra-Departmental transactions in the same period). For example, if a providing entity has not billed a recipient entity, as of the cutoff date, for revenue which it has earned prior to September 30, the revenue will be recognized as earned after September 30 **(see exceptions under section titled "Cutoff Dates.")**

The cutoff date for the June 30 Adry run@ reconciliation is **July 31**. The July 31 cutoff date is not defined the same as the fiscal year-end cutoff date **(see section titled "Cutoff Dates.")**

Cutoff Errors -- Errors which result from not recording transactions in accordance with the cutoff date.

Methodology

The Department will use the Governmentwide Audited Financial Statements Elimination Entries Task Force AInterim Method@ (as defined in inter-and intra-agency transaction draft correspondence dated October 10, 1996) for intra-Departmental reconciliations. This methodology establishes reconciliation thresholds based on the materiality of the agreement and on reconciliation differences. Component reporting entities will not be required to reconcile intra-Departmental discrepancies below the established threshold. **Discrepancies which are less than $200,000 can be ignored for reconciliation purposes. However, the related balances are still subject to elimination. When the providing (provider of goods and/or services) and receiving entity (recipient of goods and/or services) cannot reach agreement on the amount subject to elimination, the performing entity figure shall be used.**

TIER BURELI reports will be the primary source of information to reconcile intra-Departmental transactions. This TIER report provides transaction elimination information by partner and by reciprocal SGL balance pairings (e.g., Departmental Offices/U.S. Customs Service accounts receivable/accounts payable data.) The BURELI also lists pairing differences. If a pairing difference is greater than $200,000, it must be reconciled. The BURELI report also provides elimination data account series totals (asset vs. liability and revenue vs. expense) providing and receiving entity balances and accompanying differences. The BURELI report can be run for an individual partner or for all partners. Please notify AIC if you believe that the logic of an SGL pairing needs to be changed.

The reconciliation of differences will basically remain unchanged. Entities will be required to follow Departmental reconciliation requirements included in this guidance.

For the June 30 dry run reconciliation, each entity will be required to provide AIC with explanations for differences greater than $200,000 that are reflected in their Period 9 BURELI report.

For the year-end reconciliation, Bureau CFOs (or a comparable entity official) will be required to provide AIC with a certification stating that their final Period 14 BURELI report accurately reflects their reconciled intra-Treasury SGL balances and that there are no differences that exceed the allowable $200,000 threshold. Initially, Period 13 BURELI reports will be the starting point for the reconciliation. Period 13 should be accessed for information exchange. TIER Period 13 is required to be submitted by November 3. If Period 13 is unavailable for a particular partner, contact AIC for instructions.

A standard method of communicating information between component entities is critical to the timely preparation of elimination entries. Accordingly, each bureau/component entity has designated a **point of contact** to handle elimination issues **(Exhibit A)**. This listing was updated in FY 2000 to reflect personnel changes. Periodic communication is strongly encouraged to minimize year-end reconciliation problems. This methodology will help to ensure that suborganizations provide account balance information to partner bureaus in a timely fashion.

Cutoff Dates

All suborganizations must comply with the established transaction cut-off dates. This practice will minimize reconciling items resulting from timing differences (i.e suborganizations recording corresponding reciprocal SGL balances in different fiscal years.) Cutoff errors identified during the reconciliation procedure shall be investigated and corrected. The suborganization that did not record the transaction in accordance with the cutoff date must make an adjusting journal entry to correct the error. The idea of a cutoff date carries with it the likelihood of omission from the current year's transactions of items properly belonging there but relegated to the succeeding period (a situation tolerated even under rigorous methods of accounting). The effect on the financial statements should be minor because of the existence of a similar situation at the close of the preceding period.

Certain cost/revenue allocations and accruals (e.g., WCF billings and **material** unbilled revenue) may not be available by the cutoff date. Please note that the materiality concept applies to the providing and the receiving entity**. These items will be treated as exceptions to the cutoff date**. If the information is not available at the exchange date **(see section titled "Key Reconciliation Requirements/Instructions" below)**, the billing entity must **notify** the transaction partner(s), at the exchange date, that these unbilled amounts will be recorded as transactions occurring before September 30. As soon as the information is available (prior to the due date for submission of Period 14 to the Department), the providing (billing) suborganization will immediately notify the receiving suborganization(s), so that both entities record the transaction(s) in the same reporting period. Otherwise, unbilled intra-Departmental amounts that were not recorded as of the cutoff date will be recorded as transactions that occurred after September 30. (Note: unbilled amounts will only be treated as an explained discrepancy for the **June 30** reconciliation. The providing entity only needs to inform the receiving entity of the related balances. No further action is required by either party.)

This policy, however, does not preclude audit adjustments (proposed for correction of errors, accruals, subsequent events, etc.) related to intra-Departmental SGL balances after the cutoff date. The suborganization that initiates the adjusting journal entry must immediately notify all effected transaction partner(s) so that they can make corresponding adjustments for the same period. All affected entities will be required to resubmit Period 14.

The **cutoff date for the June 30 Adry run@ reconciliation** is not the same as the fiscal year-end cutoff date in the sense that June 30 transaction partners are not striving to ensure that both sides are reporting transactions in the same fiscal year. It's only purpose is to allow for a stopping point so that the dry run process can be completed by September 1. Partners do not need to agree that both parties are consistently recording their transactions as of June 30. **The goal of the dry run is to expedite the fiscal year-end reconciliation.**

Calendar Year Suborganizations

The DCFS will be prepared for fiscal years ending September 30. However, some Treasury component entities use a calendar year accounting period. Therefore, calendar year entities must have September 30 fiscal year-end SGL account balance totals available for the September 30 Departmentwide reconciliation.

Key Reconciliation Requirements/Instructions

Reconciliations will be performed every fiscal year as of June 30 (dry run) and September 30 -- (reconciliation dates.) Please note that a reconciliation of budgetary elimination entries **is not** required in FY 2000 for the dry run and September 30 procedure. The reconciliation objective is to reach agreement regarding SGL balances, which must be eliminated, in preparing the DCFS. Therefore, communication and teamwork are necessary throughout this process. The following are key reconciliation requirements/instructions:

Note: A summary of key reconciliation dates is provided at Exhibit B.

- **Transactions Subject to Elimination - All intra-Departmental SGL balances** within the defined reporting entity shall be identified and eliminated from the DCFS. This includes Treasury entity investments and related interest in Bureau of Public Debt securities. Historically, the **majority** of these transactions have been **related to reimbursable transactions.** Note: transactions with employees are not considered to be intra-Departmental e.g., income tax payments, travel advances, etc.

- **BURELI Report - Timeline - Information Exchange Dates –** The BURELI report is prepared using bureau TIER data. Accordingly, Treasury entities will be required to submit TIER Period 9 (June 30) and Period 13 & 14 (September 30 – year-end periods) information in accordance with Departmental timelines (deadlines for submission will be the information exchange dates). The established Departmental deadline date for submitting TIER data is the 20th business day after the prior months close. Therefore, the Period 9 transmission must be submitted to TIER by July 31 and Period 13 by November 3. There are three TIER submission due dates associated with Period 14 (Initial Draft Submission: 12/1/2000, Final Draft Submission: 12/8/2000 and Final Submission: 1/12/2001.) See also “Confirmations” below. Compliance with these dates is necessary to ensure that BURELI dry run and year-end elimination balances are available to complete timely reconciliations.

- **Reconciliations –** Start by running the appropriate TIER BURELI Report (Period 9 or 13).

Reconcile discrepancies, greater than $200,000, by contacting your partners and exchanging relevant information. **"No TIER Data"** will be displayed in the summary section of the BURELI if a partner has not entered data into TIER **(contact AIC for instructions regarding entities that have not submitted TIER data)**. AIC has developed **elimination entry worksheets** (Initial and Final) for use by Treasury entities to summarize and reconcile elimination activity **(Exhibit C).** Accordingly, **these formats must be used** to document reconciliations. It is important that all requested information be provided (BURELI pairing number, applicable SGL accounts, partner, explanations/corrective actions, etc. **Upon completion, please forward worksheets and Elimination SGL Balance Confirmations to AIC by 12/15/00.** This submission date complies with Departmental Accountability Report timeframes. The SGL Elimination Balance Confirmation Sheet is provided at **Exhibit D**.

- No intra-Departmental **elimination entries** will be required on bureau books. Year-end elimination (I) SGL balances will automatically be processed for financial statements and notes prepared by CFOV. Financial statements and notes affected by eliminations that will not be prepared by CFOV, but rather submitted via Excel spreadsheets, will require that the preparer enter the elimination balances on the spreadsheet. The balances entered must be consistent with the TIER Period 14 submission.

- **Threshold** - Suborganizations **are not required** to reconcile intra-Departmental discrepancies (composed of individual transaction totals) between SGL account balances for amounts below the established **threshold of $200,000.**

- **Transactions Recorded in Different Years** - If transaction partners are out of balance (greater than the preset tolerance) at year-end, because entries related to the same intra-Departmental event were recorded in different fiscal years, **adjustments are required to be made to the records of the entity that did not comply with the year-end intra-Departmental cutoff date.** Adjustments are accounting transactions that give effect to the correction of an error, a writeoff, a provision for bad debts or depreciation, or the like. The adjusting journal entries in this circumstance would be related to the correction of an error. The effect of the adjustment would be to reverse the entry made in the Awrong@ fiscal year and record it in the Acorrect@ fiscal year. (Note: The cutoff date does not preclude audit adjustments. However, transaction partners must be notified of audit adjustments involving intra-Departmental transactions that would cause an out of balance condition greater than the preset tolerance.)

- **Certain Transactions with EOAF and Law Enforcement Bureaus** – The Office of Accounting and Internal Control in conjunction with law enforcement bureaus and the OIG reviewed accounting policy issues relative to Treasury Forfeiture Fund (TFF) revenue and related intra-Departmental transactions. The following Departmental accounting policy is **currently in draft status** for FY 2000 financial statements. TFF will continue to recognize revenue from the forfeiture of assets from the public as non exchange revenue for both its own financial statements and for the Government-wide consolidated financial statements. Without regard to the source of funding, TFF will continue to recognize cost of services provided by other Treasury bureaus as expenses. Treasury bureaus that provide services to the Forfeiture Fund will continue to recognize the corresponding revenue as exchange revenue.

- **Final Resolution** - After all reasonable reconciliation activities have been performed and a reconciliation difference still exists (greater than $200,000) the balances reported by the providing component entity will be used (considered to be the agreed-upon balances). Both component entities will have the option of making any adjustments to their accounts (and to their financial statement line items) which they determine to be necessary. These adjustments should be reflected in the data submitted for TIER Period 14 and to the final amounts in the Excel spreadsheets, if applicable. If an adjustment cannot be made to TIER Period 14 because of an "eleventh hour" adjustment, it can be made at the summary level (a "top side adjustment"). Bureaus must notify AIC and provide documentation for proposed top side adjustments. Adjustments, which will be corrected in the next year by the normal flow of transactions, should be reversed. No adjustments need to be made after the point where the two partners agree within the preset tolerance ($200,000).

- **Confirmations (Exhibit D) –** Confirmations are only required for year-end reporting. Upon completion of reconciliations and submission of the final TIER Period 14 Draft Adjusted Trial Balance, Bureau CFOs (or a comparable entity official) must confirm to AIC that the resulting BURELI and FEDELI (listing of SGL balances with other Federal entities) reports accurately reflect reconciled information (Due 12/15/2000). **Confirmations are not required for the June 30 reconciliation. However, explanations for differences must be submitted to AIC.**

- **Audit -** Documentation such as **reconciliation worksheets** should be retained which adequately supports the reconciled balances and be available for audit examination.

Contingency Guidance

The Department will collect FY 2000 financial statement elimination data using final period 14 TIER submissions. A summary of Departmental elimination data is provided in the BURELI report. Accordingly, it is important that all bureaus submit final FY 2000 financial data using TIER. This will ensure Departmental elimination reporting consistency. In the unlikely event that technical problems occur in submitting TIER information, please contact the Office of Accounting and Internal Control.

FY 2000 Departmental Elimination Entities

The following list identifies Treasury TIER entities. This information will help to ensure that Treasury bureaus accurately identify trading partners. For instance, **the Financial Management Service (FMS) has established three entities, which potentially have reconciliation and elimination activity: FMS Salaries and Expenses, FMS Miscellaneous and Expenses and FMS OASIA**. **Note: Beginning with FY 2000, the FMS Franchise Fund entity no longer exists in TIER.** All balances **related to transactions with the Franchise Fund balances should be coded as BPF – Code 2045. IRR relates to tax collection not administrative activity (IRS S&E). Accurate trading partner identification is critical to elimination reporting and streamlines the reconciliation process.**

Two **new TIER entities for FY 2000**, the Office of Inspector General (OIG) and the Treasury Inspector General for Tax Administration (TIGTA) were established in FY 2000. Accordingly, these entities were added to the enclosed list.

The following information is also available in TIER. Access Ref Reports – BurRef

Treasury Entity	**TIER Entity Code**
Alcohol, Tobacco and Firearms	ATF – 2010
Comptroller of the Currency	OCC – 2017
Community Development Financial Institutions Fund	CDF – 2085
U.S. Customs Service	CS – 2006
D.C. Pensions Fund	DCP – 2081
Departmental Offices	DO – 2001
Exchange Stabilization Fund	ESF - 2041
Engraving and Printing	BEP – 2013
Federal Financing Bank	FFB – 2002
Federal Law Enforcement Training Center	FLE – 2003
Financial Crimes Enforcement Network	FIN – 2046
Financial Management Service	
• FMS – S&E	**FMS – 2018**
• FMS – Miscellaneous	**FMD – 2020**
• FMS – OASIA	**OAS – 2098**
Internal Revenue Service • **IRS – Revenue (tax collections)**	 **IRR – 2049**
• **IRS – S&E (partner for reimbursable activity)**	**IRS – 2009**

U.S. Mint	MNT – 2016
Office of Inspector General	OIG -- 2082
Public Debt	
• **BPD – S&E**	**BPA – 2005**
• **BPD – Debt (partner for GAS securities & loans)**	**BPD – 2004**
• **BPD – Franchise Fund (All Balances)**	**BPF – 2045**
Secret Service	SS – 2014
Office of Thrift Supervision	OTS – 2019
Treasury Inspector General for Tax Administration	TIG – 2089
Treasury Forfeiture Fund (EOAF)	TFF – 2086

The following definitions are provided to clearly define select Treasury entities.

Treasury Entity	Definition
FMS – Miscellaneous 20	**Custodial (e.g., Judgment Fund Payments)**
IRS - IRR – Revenue 49	**Non-Exchange Revenue (e.g., Individual Income/FICA Taxes)**
BPD – Debt 04	**Federal Debt Activity (e.g., SGL accounts 1610 – 1613) as opposed to Public Debt Administrative functions.**
BPD – Franchise Accounts 45	**All Treasury Franchise Fund activity**

Balances related to transactions with the General Fund of the Treasury should be coded in TIER as 9900F. For FY 2000 Period 14, TIER will also accept 2020F. However, for FY 2001 submissions only 9900F will be accepted. F attributes are not acceptable with any other Treasury entities and will result in a TIER fatal error.

If you are unsure of the proper trading partner identification, please contact your transaction partner or the Office of Accounting and Internal Control. An updated listing of transaction partner contacts is provided (Exhibit A).

Elimination Reports

The Treasury Information Executive Repository **(TIER)** system provides users several reports to help reconcile intra and inter-agency transactions. These reports include the Bureau Intra-Agency Balances by Reciprocal Accounts **(BURELI)** report, the Bureau Inter-Agency Balances **(FEDELI)** report, the Intra-Bureau Balances report **(SELFELI)**, the SGL TBD Eliminations Report **(SGLTBD_ELIM)** and the Abnormal SGL Account Balances **(SGLCON)** Report.

BURELI - provides key reconciliation information for the identified Treasury entity and the accompanying Departmental partner. More specifically, Treasury entity information includes the intra-Treasury (I) SGL Balances that you have entered into TIER vs. reciprocal SGL balances entered by Departmental partners. **Differences** in SGL reciprocal pairing balances are also provided. **Unrequited balances** represent balances that partners have reported and for which your entity did not report any complimentary reciprocal SGL balances (100% difference**). No Match** pairings are listed for those SGLs that will not have a partner reciprocal balance. They must be fully explained.

FEDELI - provides a listing of inter-agency SGL Balances reported to TIER. They represent SGL balances **related to transactions with Federal agencies outside of the Treasury reporting entity**. It must be consistent with the SGL balance confirmations provided to other agencies.

SELFELI - provides information related to intra-bureau balances (those "I" balances in TIER that are coded with your own bureau as the partner). **The balances should net to zero. If the balances do not net to zero then they must be investigated and necessary corrective action must be taken. Failure to net to zero will hinder both the preparation of the Departmentwide financial statements and FACTS reporting. Please note that a TIER fatal error will occur (periods 14 & 00) if these balances do not equal zero.**

SGL TBD ELIM - provides a detailed listing of standard general ledger Federal "F", intra-Departmental "I", and Non Federal "N" balances. This report is particularly useful because it identifies SGL balances with specific intragovernmental trading partners (both F and I attributes).

<u>SGLCON</u>- provides SGL abnormal balance information. This report is particularly helpful in the reconciliation process because Federal, Intra-Departmental and Non-Federal abnormal balances are individually listed. The balances listed in the report are not necessarily incorrect. However, they should be reviewed for propriety. AIC reviewed the Departmental SGLCON report for the period ending August 2000. We noted that several bureaus have abnormal account balances requiring resolution. The proper classification of SGL balances (debits/credits) is important to ensure financial statement accuracy and integrity.

Miscellaneous

<u>Treasury Judgement Fund Transactions</u>

OMB has identified (ref. April 6, 1998 Memorandum from G. Edward DeSeve, former OMB Controller and technical amendments to Bulletin 97-01 dated September 11, 2000) certain inter-entity (between Federal agencies) transactions. OMB's September 11, 2000 guidance reiterates that recognizing Treasury Judgment Fund inter-entity imputed costs applies to FY 2000 financial statements. The applicable imputed financing TIER SGL Account is 5780. An imputed financing source is recognized to the extent that reimbursement is less than full cost. Imputed costs are recorded in TIER SGL Account 6730. The partner code used for both these SGL accounts should be FMS – Miscellaneous 2020. **These transactions should be coded with an "I" attribute.** <u>Note that SGL Accounts 5780 and 6730 should only have "F" or "I" balances</u>) Your entity must ensure that the balances in these accounts for **partner code 2020I FMD** agree with the amounts recorded by FMD as actual costs.

FMS is the primary source of information for Treasury Judgment Fund transactions. Accordingly, the FMS Judgment Fund Website (http://www.fms.treas.gov/judgefund/) will notify agencies of aggregate claims approved for final payment from this fund. Bureaus are encouraged to review amounts paid on their behalf on a regular (monthly) basis.

<u>BURELI No Matches</u>

Certain SGL accounts have been designated in the BURELI Report as No Matches. This is because the transaction partner will not have a corresponding reciprocal SGL account balance. Examples include SGL Account 2400 – Liability for Deposit Funds, Clearing Accounts and Undeposited Collections. No Match SGL balances must be fully explained.

<u>Interest Paid on Uninvested Funds, Treasury</u>

Direct loans and loan guarantee financing accounts receive various payments, fees and make payments on defaults. When cash receipts exceed outlays or when an agency does not disburse all of its borrowings, these balances are held in Treasury

and earn interest. The interest earned on the balances by Treasury entities (e.g., FFB, CDFI) must be eliminated because the Financial Management Service records an expense. Therefore, SGL balances related to these transactions must be covered in the reconciliation. They should also be coded in TIER as “I” balances by both FMS and the entity that earned the interest. The entity that earned the interest should use FMS – Miscellaneous 2020 as the partner code.

Government Account Series Investments, Bureau of Public Debt Loans and Governmentwide Reconciliations

There are balances resulting from transactions between activities that Treasury performs on behalf of the federal government and activities associated with operation of the Department. These activities include transactions in government account series investments vs. activities associated with the reporting of the federal debt. It also includes related borrowing activity of Treasury=s Federal Financing Bank and Community Development Financial Institutions vs loan activity managed on behalf of the federal government.

The Office of Management and Budget (OMB) researched transactions involving all of Treasury's activities and the related balances reported on the Department's financial statements. OMB's examination focused on whether these transactions should be eliminated in preparing Treasury's Department-wide consolidated financial statements. In a memorandum dated August 11, 1999, OMB concluded that certain additional balances that were not previously eliminated from Treasury's Department-wide financial statements should be eliminated. Accordingly, Treasury entities are required to provide Department-wide elimination balances for these activities when submitting annual financial statements.

Since reconciliation of these activities is covered in the guidance **"Intragovernmental Fiduciary Transactions Accounting Guide"** (www.fms.treas.gov/cfs/dev) issued by the Financial Management Service on August 11, 1999 (was updated for FY 2000), the reconciliation of those transactions should follow its **requirements (except that the reconciliations must be treated the same as any other intra-Departmental balances. The dates in Exhibit B are applicable rather than the dates listed in the FMS guidance)**. The related balances should be included for elimination on the Department's financial statements (entered on the spreadsheets and transmitted to TIER as "I" balances). **Worksheets and confirmations must be submitted to the Office of Accounting and Internal Control. Note that these balances are also included in the BURELI Reports.**

The confirmations required by the Department of Labor (DOL) and the Office of Personnel Management (OPM) must be prepared at the bureau level and forwarded to AIC by November 30, so that a Departmental confirmation can be sent to those agencies. Any reconciliations needed to resolve material differences will also be conducted at the bureau level. Any subsequent confirmations must also be forwarded to AIC.

Balances Related to Transactions with the General Fund of the Treasury

Balances related to transactions with the General Fund of the Treasury are considered to be intra-Treasury. These SGL balances (e.g., SGLs 1921, 2970, 2980, 5990, 5991, etc.) should be coded as "F" balances with 2020F or **F9900 (preferred code)** as the transaction partner for **FY 2000 TIER Period 14**. **However, for FY 2001 submissions only 9900F will be accepted. F attributes are not acceptable with any other Treasury entities and will result in a TIER fatal error.**

Updates

The Office of Accounting and Internal Control will periodically update this document.

DEPARTMENT OF THE TREASURY
DEPARTMENTAL ELIMINATION ENTRY POINTS OF CONTACT

The following individuals are designated points of contact regarding FY 2000 intra-Departmental transactions and elimination entries. Please note that FAX numbers and e-mail addresses are provided to enhance the exchange of information.

Bureau	Contact	Phone #	FAX #	E-Mail
ATF	Dennis Willard	(202) 927-5040	927-5992	DFWillard@atfhq.atf.treas.gov
OCC	Patricia Wolz	(202) 874-4541	874-5171	Patricia.Wolz@occ.treas.gov
CDFI	Linda Albright	(304) 480-7068	480-7076	LAlbright@bpd.treas.gov
CS	Darryl Halajian	(317) 298-1200 X3255	290-3258	Darryl.D.Halajian@customs.treas.gov
DCP	Linda Albright	(304) 480-7068	480-7076	LAlbright@bpd.treas.gov
TFF Forfeiture	Sonia Pratt	(202) 622-8351	622-9610	Sonia.Pratt @teoaf.treas.gov
DO/OIG	John Roberts	(202) 622-1067	622-2768	John.W.Roberts@do.treas.gov
BEP	Matt Gurrola	(202) 874-3408	874-3397	Matt.Gurrola@bep.treas.gov
FFB	Martha Mobley	(202) 622-2470	622-2539	Martha. Mobley @do.treas.gov
FinCen	Darryl Halajian	(317) 298-1200 X3255	290-3258	Darryl.D.Halajian@customs.treas.gov
FLETC	Nicki Wilson	(912) 267-2236	267-2217	NWilson@fletc.treas.gov
FMS	Yvette Dunbar	(304) 480-7053	480-7077	YCochran@bpd.treas.gov
FMS Misc.	Jennifer Fitzmaurice	(202) 874-8257	(202) 874-7900	Jennifer.Fitzmaurice@fms.treas.gov
FMS –OASIA	Michael Beller	(202) 874-8668	(202) 874-7900	Michael.Beller@fms.treas.gov
IRS	Ruby Le Vally	(513) 684-2990	684-2045	RubyLeVally@NER-OH-Cincinnati-HUB-SUB1
MNT	Jerry Laffey	(202) 354-7896	756-6055	Jerry.Laffey@usmint.treas.gov
BPD –Admin	Yvette-Cochran Dunbar	(304) 480-7053	480-7077	YCochran@bpd.treas.gov
BPD – Investments	Federal Investments Division	(304) 480-5151	480-5112	
BPD –Loans	Borrowings Team	(304) 480-5171	480-5176	
USSS	Marilyn Evans	(202) 406-5874	406-5005	MEvans@usss.treas.gov
BPF (Franchise)	Dee Gandee	(304) 480-7085	480-7076	DLGandee@bpd.treas.gov
TIGTA	Marty Greiner	(202) 622-7586	(202) 622-5624	Marty.Greiner@TIGTA.teas.gov
OTS	Christos Passakos	(202) 906-7288	906-6303	Christos.Passakos@ots.treas.gov

EXHIBIT A

SUMMARY OF KEY DATES	
Transaction Cutoff Dates	
--Dry Run Reconciliation	July 31, 2000 (Deadline date for TIER Period 9 Submissions)
--Year-End Reconciliation	October 31, 2000
Information Exchange Dates	
--Dry Run Reconciliation	August 7, 2000 – Begin Reconciliation by running a BURELI Report for TIER Period 9 (7 days after the required TIER deadline date for TIER Period 9 Submissions)
--Year-End Reconciliation	November 8, 2000 – Begin Reconciliation by running a BURELI Report for TIER Period 13 (2 working days after the required TIER deadline date for TIER Period 13 Submissions)
Dry Run Reconciliation – Submission of Supporting Documentation (Explanations)	September 1, 2000
Government-wide Fiduciary Information	
--Required Confirmations for DOL/ OPM – Submit to AIC. Also, Submit Copies of Confirmations with BPD regarding Loans and Investments to AIC	November 30, 2000
BURELI and FEDELI TIER Period 14 Reports, Worksheets, Confirmations to AIC	December 15, 2000 (7 days after the required TIER deadline date for TIER Period 14 Final Submissions). See Exhibit D.

EXHIBIT B

Initial Worksheet Example – Based on Period 13 BURELI (or PERIOD 9 BURELI- Dry Run)

Use One Row for Each BURELI Pairing/Partner Difference This Format is Required.

DEPARTMENT OF THE TREASURY
RECONCILIATION OF BURELI
DEPARTMENTAL OFFICES

FOR THE PERIOD ENDING 09/30/2000

	------ DEPARTMENTAL OFFICES -------			------PARNER-----			
	SGL	BURELI		SGL	BURELI		
BURELI PAIRING No.	ACCOUNT(S)	BALANCE (S)	PARTNER	ACCOUNT(S)	BALANCE (S)	NOTE	DIFFERENCE
01	1310	5,000,000.00	TFF	2110	(4,000,000.00)	1	1,000,000.00
01	Unrequited		ATF	2110	(600,000.00)	2	(600,000.00)
01	Unrequited		FFB	2110	(300,000.00)	3	(300,000)
02							

EXHIBIT C

FINAL Worksheet Example – Based on Period 14 BURELI

(FINAL WORKSHEET IS NOT REQUIRED FOR THE DRY RUN)

Worksheet Reflects Agreed Upon Corrections/Adjustments with Partners At Year-End Corrections Must be Made to TIER Period 14 and reflected on Excel Spreadsheets (If Applicable)

Use One Row for Each BURELI Pairing/Partner Difference

This Format is Required

DEPARTMENT OF THE TREASURY
RECONCILIATION OF BURELI
DEPARTMENTAL OFFICES

FOR THE PERIOD ENDING 09/30/2000

	------ DEPARTMENTAL OFFICES -------			------PARNER-----			
	SGL	BURELI		SGL	BURELI		
BURELI PAIRING No.	ACCOUNT(S)	BALANCE (S)	PARTNER	ACCOUNT(S)	BALANCE (S)	NOTE	DIFFERENCE
01	1310	5,000,000.00	TFF	2110	(5,000,000.00)	1	0.00
01	1310	600,000.00	ATF	2110	(600,000.00)	2	0.00
01	Unrequited	0.00	FFB	2110	0.00	3	0.00
02							

Examples of Explanations – Cross-referenced to the Worksheets
This Format is Required

Note	Explanation for Period 13 Difference and Corrective Action Taken for Period 14
1	Partner Balance was incorrect. Partner will correct for Period 14
2	DO did not record balance in Period 13. DO will record in Period 14
3	Partner incorrectly coded DO as the partner in Period 13. Correct partner will be coded in Period 14

Note: The **TIER SGLRCP Report** provides a comprehensive listing of reciprocal SGL account pairs for intra-Treasury eliminations used in the BURELI Report. See TIER REF Reports.

Also, while Final Worksheet is not required for the dry run, explanations for differences are required.

EXHIBIT C

Confirmation - Elimination SGL Balances

We have completed a reconciliation of Intra-Departmental transactions with all Treasury entities for the fiscal year ended September 30, 20 ___in accordance with Departmental ***Guidelines for Reconciling and Reporting Intra-Departmental Transactions****.* Based on that reconciliation, it is our intention to eliminate the balances from the financial statements, which we are submitting to the Department for consolidation in the Departmentwide financial statements. These balances are reflected in our Period 14 TIER submission. **We ran a Period 14 TIER BURELI report on (date)________________________** **(COPY will be forwarded to AIC – do not FAX) to verify**:

1. That all SGL balances which should be eliminated have been properly coded with an "I" attribute.

2. That only balances which should be eliminated have been coded with the "I" attribute.

3. That the proper trading partner code is reflected for each SGL balance.

4. That there are no SGL pairing/unrequited balances differences greater than $200,000 (excluding differences, which are allowed in the Government-wide elimination guidance).

5. That the SGL balances are the amounts agreed to with our trading partners to reconcile differences greater than $200,000.

6. Imputed SGL Balances in SGLs 5780 and 6730 related to the Treasury Judgment Fund transactions are in agreement with the actual costs incurred by FMS.

7. Explanations are attached for all "No Match" SGL balances.

8. SGL Balances related to transactions with the General Fund have been properly coded with an "F" attribute and partner code 9900.

We also ran a **TIER Period 14 FEDELI report on** (date)____ **(COPY will be forwarded to AIC – do not FAX)** to verify that the balances in TIER reflect 1 through 3 (above) for "F" SGL balances and that such balances were determined in compliance with Government-wide elimination guidance related to FACTS I. These SGL balances are also consistent with the amounts reported on the confirmations required by FMS.

If we adjust these balances in any way after the above dates we will notify AIC and all affected trading partners.

Chief Financial Officer Certification (or Deputy Chief Financial Officer):

Name: ____________________________________ **Bureau/Entity:** ____

Title: ____

Date: ________________

FAX completed Confirmation and Supporting Worksheets to AIC at (202) 622-2318
Attn: Dan Waugh/Joe McAndrew. Send copies of BURELI & FEDELI Reports by mail to AIC.

EXHIBIT D